

Vocabulary to Know

CURRENT ASSETS

PLANT ASSETS

REAL PROPERTY

PERSONAL PROPERTY

ASSESSED VALUE

Categories of Assets

Current Assets

Examples??

Plant Assets

Examples??

Yahoo! Finance

Types of Property and Property Tax

Real Property (Real Estate)

Land and anything attached to it.

Personal Property

Anything not considered Real Property.

Assessed Value

The value of an asset determined by tax authorities (Assessor)

Polk - <http://web.assess.co.polk.ia.us/cgi-bin/web/tt/infoqry.cgi?tt=home/index>

Dallas- <http://assessorweb.co.dallas.ia.us/Searchv3.aspx>

<http://wfcourier.com/app/special/taxes/>

RECORDING THE BUYING OF A PLANT ASSET

January 2, 2011. Paid cash for a display case, \$1,250.00. Check No. 7.

1. Which accounts are affected?

Store Equipment

Cash

2. How is each account classified?

Store Equipment is an asset account.

Cash is an asset account.

3. How is each classification changed?

Assets are increased.

Assets are decreased.

4. How is each amount entered in the accounts?

Assets increase on the debit side.

Assets decrease on the credit side.

Store Equipment	
Debit Normal Balance	
1,250.00	
↑	

Cash	
Debit Normal Balance	
	1,250.00
	↓

RECORDING THE BUYING OF A PLANT ASSET

CASH PAYMENTS JOURNAL									
PAGE 1									
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT	
				DEBIT	CREDIT				
4	2 Store Equipment	7	1215	125000				125000	4
5									5

1

2

4

3

1. Account Title
2. Cost of the Plant Asset
3. Cash Paid
4. Post

ACCOUNT <i>Store Equipment</i>						ACCOUNT NO. <i>1215</i>			
DATE		ITEM	POST. REF.	DEBIT	CREDIT	BALANCE			
						DEBIT		CREDIT	
<i>20-</i>	<i>Jan.</i>	<i>1</i>	<i>Balance</i>	<i>✓</i>		<i>4376000</i>			
		<i>2</i>	<i>CP1</i>	<i>125000</i>		<i>4501000</i>			

February 1. Harrison Manufacturing paid cash for property tax, \$840.00. Check No. 187.

The diagram illustrates the accounting entry for property tax expense. It consists of two T-accounts. The first T-account is for 'Property Tax Expense', which has a debit of 840.00. The second T-account is for 'Cash', which has a credit of 840.00. The debits and credits are equal, indicating a balanced entry.

Property Tax Expense	Cash
Debit Normal Balance 840.00 ↑	Debit Normal Balance ↓ 840.00

[illegible]